

~~CONFIDENTIAL~~

Serial: N 0716

2 FEB 1961

~~CONFIDENTIAL~~

MEMORANDUM FOR THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

ATTN: Mr. George W. Bergquist

SUBJECT: Acceleration of Procurement and Construction (U)

1. Reference is made to Bureau of the Budget Bulletin 61-9, subject: "Accelerating Procurement and Construction", dated February 2, 1961. In compliance with the reference, current procurement and construction programs of this Agency have been evaluated and the following report is provided.

PROCUREMENT

2. The National Security Agency has moved rapidly in FY 1961 in the obligation of funds for its activities. As of 31 January, 61% of Operation and Maintenance appropriation direct funds and 54% of Research, Development, Test & Evaluation appropriation funds available to the Agency had been obligated. Agency elements have been directed to further accelerate procurement actions, where feasible, during the remainder of this fiscal year. This action is not expected to require any changes in the currently approved apportionment for the third quarter.

3. As of 31 January 1961, 35% obligation had been effected of Operation and Maintenance appropriation funds advanced to NSA to finance consolidated procurement contracts. Agency elements have been directed to accelerate the processing of the remaining contracts scheduled for FY 1961 once the necessary orders from other Government activities are received.

CONSTRUCTION

4. NSA projects approved by SECDEF for financing under the Military Construction Appropriation are processed for the Agency by the Department of the Army. For FY 1961, the only such project programmed for NSA is Phase I of the Emergency Power Facility. Negotiations have been under way for some months at SECDEF level to secure funds for this project. If funds are made available soon, the Army has advised that Phase I of the Emergency Power Facility can be obligated by June 1961.

5. For FY 1962, there are three NSA projects included in the Military construction budget currently before Congress. These projects

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~~~CONFIDENTIAL~~

Serial:

N 0716


are Phase II of the Emergency Power Facility (\$621,000), Sensitive Materials Storage Building (\$996,000) and the Flammable Storage Building (\$104,000). Early issuance of a design directive would permit obligation of all three projects prior to 31 December 1961. The Army has been requested by this Agency to accelerate these projects.

6. The information on NSA construction projects outlined in paragraphs 4 and 5 above has been discussed with SECDEF (Installations and Logistics) (Mr. Mathens).

L. H. FROST
L. H. FROST
Vice Admiral, USN
Director

Copy Furnished:

General G. B. Erskine, USMC-Ret,
Asst to SecDef, Sp Opns

cc: DIR Reading File 
AG
Reading File
COMP-4
COMP-01

M/R: 1. Prepared from information provided by PROD, CSEC, R/D, TCOM, ING, AG and LOG.

2. The obligation information on our current construction projects was secured by LOG from DCS/LOG of Army. In addition, LOG found out that SECDEF (I&L) has already forwarded to BOB a list of projects, including our emergency power and flammable storage facilities, which could be accelerated. The SECDEF office agreed to add the Sensitive Materials Storage Building to this list when feasible.

3. A new MCA project for modification of Building 19 was also submitted by CSEC. It is excluded from this memorandum pending staffing and approval by the Director.

L.F. Mongeon
L.F. MONGEON, COMP-4, 3181, 24 Feb 61, si

CONFIDENTIAL